

**MERCER COUNTY INSURANCE FUND COMMISSION
OPEN MINUTES
MEETING – FEBRUARY 23, 2015
Mercer County
McDade Administration Building
640 South Broad Street
Trenton, NJ 08611
10:30 AM**

Meeting was called to order by Chairman Mair. Ms. Dodd read the Open Public Meetings notice into record.

ROLL CALL OF COMMISSIONERS:

Andrew A. Mair	Present
K. Megan Clark Hughes	Present
Raissa Walker	Present

FUND PROFESSIONALS PRESENT:

Executive Director	PERMA Risk Management Services Joseph Hrubash
Claims Service	Inservco Insurance Services, Inc. Nancy Fowlkes Terry Sheerin
	Conner Strong & Buckelew Robyn Walcoff
Managed Care Services	First MCO Thea Isabella Mark Spivak
Risk Management Consultant	Borden Perlman Salisbury & Kelly Doug Borden
Attorney	Arthur J. Sypek, Jr., Esq. Paul Adezio, Esq.
Treasurer	
Safety Director	J.A. Montgomery Risk Control Glenn Prince

ALSO PRESENT:

Alma Ortiz, Mercer County Improvement Authority
Susan Schaefer, Susan Schaefer, LLC
Lillian L. Nazzaro, Esq., Mercer County Counsel
Michael S. Trump, Vericclaim, Inc. (arrived 11:10 AM)
Karl Thomas, Mercer County
Cathy Dodd, PERMA Risk Management Services

APPROVAL OF MINUTES: OPEN MINUTES OF JANUARY 26, 2015

Chairman Mair indicated he had a few comments on the minutes before they were approved. Chairman Mair advised the Executive Director prepared a stewardship report in preparation for the Freeholder meeting and that he also met with Mr. Borden who would also prepare a list of coverage. Chairman Mair also indicated Mr. Borden reviewed the policies. Chairman Mair advised the Executive Director would be meeting with the Board on March 24th. Chairman Mair noted there should be a discussion on designating an alternate for Executive Committee. In response to Chairman Mair’s inquiry regarding the Claims Committee representation, Executive Director advised Ms. Walker and Ms. Hughes could both be members of the committee; however, only one could be a voting member. Chairman Mair asked Commission Attorney to draft a motion by title under new business. Chairman Mair advised the RFP for the auditor was still not complete and the Treasurer was not available for an update. Chairman Mair asked if anyone had any questions regarding the minutes.

MOTION TO APPROVE THE OPEN MINUTES OF JANUARY 26, 2015

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

CORRESPONDENCE: None

SAFETY COMMITTEE: Mr. Prince reported the Safety Committee last met on February 18th and reviewed 8 accidents. Mr. Prince also advised he completed an accident investigation for the Highway Department for an incident on January 31, 2015.

CLAIMS COMMITTEE: Ms. Walcoff reported the Claims Committee met prior to the Commission at 10:00 to discuss and review a PAR that would be presented during closed session. Ms. Walcoff advised the committee also held a discussion on the County representation for the Claims Committee. In response to Chairman Mair’s inquiry, Commission Walker advised Ms. Hughes should be the voting member for the County on the Claims Committee. Ms. Walcoff noted there was a fairly large property loss and Mr. Michael Trump of Vericclaim would attend the meeting to discuss the status of the claim.

EXECUTIVE DIRECTOR REPORT: Executive Director advised he had several action items for his report.

2015 RISK MANAGEMENT PLAN: Executive Director referred to a copy of the 2015 Plan of Risk Management which was included in the Appendix II section of the agenda. Executive

Director advised the changes were highlighted in yellow and he would review the significant changes. Executive Director reported the Cyber Liability was now listed as coverage. Executive Director referred to page 3 of the plan and noted Mr. Borden had discovered an error in the Sexual Abuse or Molestation Coverage and the Owner Watercraft paragraphs. Executive Director advised the coverage was \$250,000 excess of the Insurance Commission's \$250,000 and not \$750,000. Executive Director indicated he would ask for a motion to approve the plan subject to the correction. Executive Director advised the insurers for the excess property layer changed and was reflected on page 5 of the plan. Executive Director referred to page 7 of the Plan and advised the CEL purchased Excess Flood/Earthquake coverage and that information was highlighted. Executive Director advised page 10 included a synopsis of the Cyber Liability coverage.

MOTION TO ADOPT RESOLUTION 12-15, PLAN OF RISK MANAGEMENT FOR 2015 SUBJECT TO THE CHANGES NOTED BY THE EXECUTIVE DIRECTOR

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

CERTIFICATE OF INSURANCE REQUEST FORM: Executive Director reported on the Certificate of Insurance Report for the period of January 23, 2015 to February 16, 2015. There were five (5) certificate of insurances issued during this period.

MOTION TO APPROVE THE CERTIFICATE OF INSURANCE REPORT

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

NJ EXCESS COUNTIES INSURANCE FUND (CELJIF): Executive Director reported the CEL 2015 Re-Organization meeting was scheduled for February 26, 2015 at 1:00 PM at the Camden County College Regional Emergency Training Center. Chairman Mair advised he would participate in the meeting via teleconference.

MCIFC PROPERTY & CASUALTY FINANCIAL FAST TRACKS: Executive Director advised the December 2014 monthly Financial Fast Track was included in the agenda. The Commission had a surplus of \$1,556,384 as of December 31, 2014. Executive Director also referred to line 8 of the December report, "Investment in Joint Venture" and indicated \$245,390 of the surplus was the MCIFC's share of the CEL JIF equity.

NJ CEL PROPERTY & CASUALTY FINANCIAL FAST TRACK: Executive Director reported the agenda included the Financial Fast Track for the NJ CEL for the month of December. As of December 31, 2014 the CEL had a surplus of \$5,322,955.

NEW CLAIMS TRACKING REPORTS: Executive Director reported the agenda included two new claim monitoring reports. Executive Director advised the first report was the "Claim Activity Report" as of December 31, 2014 and included the number of open claims and the corresponding reserve amounts by month. Executive Director explained the purpose of the report was to look for any inconsistencies posted by the TPA. Executive Director reviewed the second report, "Claims

Management Report Expected Loss Ratio Analysis” and advised the report compared the incurred amount of losses to the (1) budget amounts and (2) Actuary amounts. Executive Director advised the actual incurred amounts as of 12/31/14 (12 months) were 47.97% of the budgeted amount and the actuary projection target was 64.07%. The Commission’s loss reserve was running below the actuary’s projection. However, Executive Director pointed out that the property losses and general liability claims were higher than projected at 12 months. Executive Director advised in 2015 Fund Year this report would also provide a comparison to 2014 Fund Year.

NEW MEMBER ENTITIES: Executive Director advised Mr. Proctor of Conner Strong & Buckelew would be looking into the feasibility of providing a proposal for the College. Executive Director advised the College’s program expired on 7/1/15; however the two other school districts were committed in their current program till 7/1/17.

CEL STEWARDSHIP REPORT FOR MERCER COUNTY: Executive Director reported he and Mr. Proctor met with Chairman Mair, Mr. Brian M. Hughes, and other County representatives and presented a Stewardship Report. Executive Director indicated he would make another presentation at the March 24th Freeholder meeting.

Executive Director advised that concluded his report unless anyone had any questions.

Executive Director's Report Made Part of Minutes.

TREASURER REPORT: Chairman Mair advised the Treasurer was not present. Chairman Mair advised the February Bill List, Resolution 13-15, was included in the agenda.

MOTION TO APPROVE RESOLUTION 13-15, FEBRUARY BILL LIST

Moved:	Commissioner Walker
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

Executive Director advised the monthly Treasurer Reports were included in the agenda.

ATTORNEY: Commission Attorney advised he did not have anything to report but would make a motion during New Business to address the Claims Committee representation.

CLAIMS SERVICE:

Executive Director advised Resolution 14-15, Disclosure of Liability Claims Check Register, was included in the agenda along with a copy of the check register for the period of January 1, 2015 to January 31, 2015.

MOTION TO APPROVE RESOLUTION 14-15 AUTHORIZING DISCLOURE OF LIABILITY CLAIMS CHECK REGISTER

Moved:	Commissioner Hughes
Second:	Chairman Mair
Vote:	3 Ayes, 0 Nays

Ms. Sheerin reported she was working with Ms. Walcoff to conduct a Claim Review in March and would be set up through the Claims Committee. Executive Director asked that the worker compensation claims be reviewed to make sure the reserves were reflected accurately.

In response to Chairman Mair's inquiry regarding OPRA, Ms. Dodd advised OPRA requests could be done through the website and sent via e-mail to the PERMA office. Executive Director advised if the OPRA request was not Commission related PERMA would notify the requestor and send a copy to Mr. Sypek.

MANAGED CARE: Thea Isabella of First MCO advised she would review the Managed Care Report which was included in the agenda. Ms. Isabella introduced Mr. Mark Spivak who was attending the meeting from her office. Ms. Isabella reported for the month of January provider bills were received in the amount of \$106,403 and First MCO re-priced the bills to \$56,196 for a savings of \$50,206 or 47% with 80% PPO penetration. Ms. Isabella advised she was going to review the bills with Ms. Schaefer to determine the PPO penetration percentage.

CEL SAFETY DIRECTOR: Mr. Prince reviewed the January – March Risk Control Activity Report which was included in the agenda. Mr. Prince advised there were 27 training opportunities for February and March for Mercer County employees. Mr. Prince reported prior to the meeting he had an opportunity to discuss with Commissioner Hughes the BRIT online training program and indicated he would schedule an appointment to provide a demonstration on the program to see if the County wanted to participate in the free program. In response to Executive Director's inquiry, Mr. Prince advised the Gloucester County Insurance Commission was utilizing the program and Burlington County Insurance Commission should be operational shortly. Mr. Prince indicated he could schedule an online demonstration for Mercer County with Natalie Dougherty of his office who administers the BRIT program. Mr. Prince advised a test was given at the end of each training class. Lastly, Mr. Prince advised two Safety Director's Bulletins were sent out on January 14th, "MVR Checks Reminder" and "OSHA Summary Log Reminder". Mr. Prince advised that concluded his report unless anyone had any questions.

RISK MANAGER CONSULTANT: Mr. Borden advised there were some pending items on the Crime and Public Official coverages but wanted to wait until everything was finalized and would defer until the next meeting.

Correspondence Made Part of Minutes.

OLD BUSINESS: None

NEW BUSINESS: Chairman Mair explained that currently both Commissioner Walker and Commissioner Hughes were on the Claims Committee; however, only one Commissioner could only be a voting member. Mr. Sypek requested a motion to authorize Commissioner Hughes as the voting member.

MOTION TO AUTHORIZE COMMISSIONER HUGHES AS THE VOTING MEMBER OF THE CLAIMS COMMITTEE

Moved:	Chairman Mair
Second:	Commissioner Walker
Vote:	3 Ayes, 0 Nays

Ms. Walcoff advised the Claims Committee Charter should be updated to reflect the change. Executive Director advised the Charter and Resolution could be presented at the next meeting for approval.

PUBLIC COMMENT:

MOTION TO OPEN MEETING TO THE PUBLIC

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

Seeing no members of the public wishing to speak Chairman Mair asked for a motion to close the public comment portion of the meeting.

MOTION TO CLOSE MEETING TO THE PUBLIC

Moved:	Chairman Mair
Second:	Commissioner Walker
Vote:	3 Ayes, 0 Nays

CLOSED SESSION: Chairman Mair read and requested a motion to approve Resolution 15-15 authorizing a Closed Session to discuss PARS.

RESOLUTION 15-15, EXECUTIVE SESSION FOR THE PURPOSE AS PERMITTED BY THE OPEN PUBLIC MEETINGS ACT, MORE SPECIFICALLY TO DISCUSS PARS RELATED TO PENDING OR ANTICIPATED LITIGATION AS IDENTIFIED IN THE LIST OF CLAIMS PREPARED BY THIRD PARTY CLAIM ADMINISTRATOR INSERVCO INSURANCE SERVICES, INC. AND ATTACHED TO THIS AGENDA.

MOTION TO APPROVE RESOLUTION 15-15 FOR EXECUTIVE SESSION

Moved:	Commissioner Hughes
Second:	Commissioner Walker
Vote:	3 Ayes, 0 Nays

MOTION TO RETURN TO OPEN SESSION

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

**MOTION TO APPROVE PAYMENT AUTHORITY REQUEST FOR # 0508
IN THE AMOUNT OF \$33,939.96**

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3Ayes, 0 Nays

MOTION TO ADJOURN:

Moved:	Chairman Mair
Second:	Commissioner Hughes
Vote:	3 Ayes, 0 Nays

MEETING ADJOURNED: 11:30 AM

Minutes prepared by:
Cathy Dodd, Assisting Secretary